

AMENDED IN ASSEMBLY JUNE 28, 2005

AMENDED IN SENATE MAY 27, 2005

**SENATE BILL**

**No. 175**

**Introduced by Senator Vincent**

February 9, 2005

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*An act to amend Sections 19962 and 19963 of, and to add Section 19858.5 to, the Business and Professions Code, relating to gaming.*

LEGISLATIVE COUNSEL'S DIGEST

SB 175, as amended, Vincent. Gambling Control Act: licenses.

The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Division of Gambling Control within the Department of Justice. Under that act, a person is deemed unsuitable to hold a state gambling license, a requirement for owning a gambling establishment, if that person, or any partner, officer, director, or shareholder of that person, has a financial interest in a business or organization engaged in any form of prohibited gambling, as specified.

This bill would revise that provision by authorizing the commission to grant a license to an applicant to own a gambling establishment, even if the applicant has a financial interest in another business conducting lawful gambling in California, or another business conducting lawful gambling outside of California that would violate California law if conducted within the state, as specified. The bill would also authorize the commission to grant a license to an applicant to own a gambling establishment, even if that applicant is an Indian tribe authorized to conduct in-state gaming pursuant to a compact, as specified.

*The act prohibits, until January 1, 2010, the governing body and the electors of a county, city, or city and county from authorizing or expanding any legal gaming beyond that permitted on January 1, 1996. Additionally, the commission is prohibited, until January 1, 2010, from issuing a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, except as specified.*

*This bill would extend the operation of these provisions to January 1, 2015.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. It is the intent of the Legislature, to permit an*  
2     *owner of a gambling establishment to have a financial interest in*  
3     *another business inside California, or outside California that*  
4     *otherwise may violate Section 330 of the Penal Code. It is not the*  
5     *intent of the Legislature to change the prohibitions in existing*  
6     *law that preclude a publicly traded corporation from owning an*  
7     *interest in a gambling establishment, except as currently*  
8     *provided for in Section 19852 or 19858 of the Business and*  
9     *Professions Code.*

10    ~~SECTION 1.—~~

11    *SEC. 2. Section 19858.5 is added to the Business and*  
12    *Professions Code, to read:*

13    19858.5. (a) ~~Notwithstanding Sections 19852 and Section~~  
14    19858, the commission may, pursuant to this chapter, deem an  
15    applicant suitable to hold a state gambling license to own a  
16    gambling establishment, even if the applicant has a financial  
17    interest in either of the following:

18    (1) Another business that conducts lawful gambling in  
19    California.

20    (2) Another business that conducts lawful gambling outside  
21    the state, even if the conduct outside the state may violate  
22    Section 330 of the Penal Code if conducted in California.

23    (b) ~~Notwithstanding Sections 19852 and Section 19858,~~ the  
24    commission may, pursuant to this chapter, deem an applicant  
25    suitable to hold a state gambling license to own a gambling  
26    establishment, even if that applicant is an Indian tribe that has

1 been authorized to conduct gambling activities on Indian land in  
2 California pursuant to a tribal-state gaming compact, provided  
3 that the gaming activities that the tribe conducts on Indian land in  
4 California are limited to those expressly authorized by the  
5 applicable compact.

6 *(c) Except as otherwise provided by this article, a corporation*  
7 *that is publicly traded is not eligible for a gambling license.*

8 *SEC. 3. Section 19962 of the Business and Professions Code*  
9 *is amended to read:*

10 19962. (a) On and after the effective date of this chapter,  
11 neither the governing body nor the electors of a county, city, or  
12 city and county that has not authorized legal gaming within its  
13 boundaries prior to January 1, 1996, shall authorize legal gaming.

14 (b) An ordinance in effect on January 1, 1996, that authorizes  
15 legal gaming within a city, county, or city and county may not be  
16 amended to expand gaming in that jurisdiction beyond that  
17 permitted on January 1, 1996.

18 (c) This section shall remain ~~operative~~ *in effect* only until  
19 January 1, ~~2010~~ 2015, and as of that date is repealed, *unless a*  
20 *later enacted statute, that is enacted before January 1, 2015,*  
21 *deletes or extends that date.*

22 *SEC. 4. Section 19963 of the Business and Professions Code*  
23 *is amended to read:*

24 19963. (a) In addition to any other limitations on the  
25 expansion of gambling imposed by Section 19962 or any  
26 provision of this chapter, the commission may not issue a  
27 gambling license for a gambling establishment that was not  
28 licensed to operate on December 31, 1999, unless an application  
29 to operate that establishment was on file with the division prior to  
30 September 1, 2000.

31 (b) This section shall remain in effect only until January 1,  
32 ~~2010~~ 2015, and as of that date is repealed, unless a later enacted  
33 statute, that is enacted before January 1, ~~2010~~ 2015, deletes or  
34 extends that date.